

**REPORT  
ON THE  
RATE SETTING AUDIT**

**MINUET  
BELLFLOWER, CALIFORNIA  
PROVIDER NUMBER: LTC80005I  
NATIONAL PROVIDER IDENTIFIER: 1194853499**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2009**

**Audits Section – Santa Ana  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Margaret A. Varho  
Audit Supervisor: Lan Nguyen  
Auditor: Favio Arrieta**



DAVID MAXWELL-JOLLY  
Director

State of California—Health and Human Services Agency  
Department of Health Care Services



ARNOLD SCHWARZENEGGER  
Governor

Date: December 29, 2010

Cheryl Loflin-Wertz, President  
Harbor Health Care, Inc.  
16917 Clark Avenue  
Bellflower, CA 90706

PROVIDER: MINUET  
PROVIDER NO. LTC80005I  
FISCAL PERIOD ENDED DECEMBER 31, 2009

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the accompanying audit report schedules represent a proper determination of the allowable costs and patient days for the above fiscal period in accordance with Medi-Cal reimbursement principles. The results of our examination are as follows:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	414,938	\$ 209.78
Net Audit Adjustment		(34,525)	(17.46)
Audited Cost/Cost Per Day	\$	<u>380,413</u>	\$ <u>192.32</u>

This audit report includes the:

1. Audit Report Schedules 1 through 2
2. Audit Adjustments Schedule

Future Medi-Cal long-term care prospective rates may be affected by this examination. The extent to which the rates change will be determined by the Department's Rate Development Branch.

Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

If you disagree with the decision of the Department, you may appeal by writing to:

Chief  
Office of Administrative Appeals and Hearings  
1029 J Street, Suite 200  
Sacramento, CA 95814-2825  
(916) 322-5603

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

**United States Postal Service (USPS)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
PO Box 997413  
Sacramento, CA 95899-7413

**Courier (UPS, FedEx, etc.)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
1501 Capitol Avenue, Suite 71.5001  
Sacramento, CA 95814-5005  
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

If you have questions regarding this report, you may call the Audits Section—Santa Ana at (714) 558-4434.

***(Original signed by Margaret Varho)***

Margaret A. Varho, Chief  
Audits Section—Santa Ana  
Financial Audits Branch

Certified

**SUMMARY OF AUDITED FACILITY CENSUS  
AND AUDITED CLIENT COST PER DAY**

**Provider:**

MINUET

**Fiscal Period:**

JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

**Provider Number:**

LTC80005I

**Provider NPI:**

1194853499

**SUMMARY OF AUDITED FACILITY CENSUS  
AND AUDITED CLIENT COST PER DAY**

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	1,978	1,978
2. Other Client Days (Adj )	0	0
3. Total Client Days	<u>1,978</u>	<u>1,978</u>
4. Total Client Care Expenses (From Sch. 2)	\$ <u>414,938</u>	\$ <u>380,413</u>
5. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>209.78</u>	\$ <u>192.32</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment (Adj )	\$ <u>NA</u>	\$ <u>0</u>
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**OVERPAYMENTS**

1. Duplicate Payments (Adj )	\$ <u>0</u>	\$ <u>0</u>
2. Credit Balances (Adj )	\$ <u>0</u>	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
MINUET

Fiscal Period:  
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:  
LTC80005I

NPI:  
1194853499

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization		\$ 59	\$	\$ 59
050	Leases and Rentals		30,000		30,000
055	Real Property Taxes		2,644		2,644
060	Personal Property Taxes		0		0
065	Mortgage Interest		0		0
070	Property Insurance	1	1,921	(1,921)	0
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 34,624	\$ (1,921)	\$ 32,703
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 7,158	\$	\$ 7,158
085	Utilities		5,347		5,347
090	Client Transportation		0		0
095	Dietary		18,548		18,548
100	Personal Care and Laundry		998		998
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 32,051	\$ 0	\$ 32,051
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 66,675	\$ (1,921)	\$ 64,754
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 14,057	\$	\$ 14,057
120	QMRP Fringe Benefits		2,676		2,676
125	Lead Salaries		14,060		14,060
130	Lead Fringe Benefits		2,259		2,259
135	Aides Salaries		106,683		106,683
140	Aides Fringe Benefits		17,142		17,142
145	Other Salaries		75,214		75,214
150	Other Fringe Benefits		12,085		12,085
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 244,176	\$ 0	\$ 244,176

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
MINUET

Fiscal Period:  
JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

Provider Number:  
LTC80005I

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Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,152	\$	\$ 1,152
165	Speech Pathology Consultant		0		0
170	Physical Therapy Consultant		1,080		1,080
175	Occupational Therapy Consultant		975		975
180	Pharmacist Consultant		480		480
185	Nurse Consultant		0		0
190	Psychologist Consultant		0		0
195	Physician Consultant		0		0
200	Recreational Consultant		880		880
205	Social Service Consultant		0		0
210	Other Consultant		0		0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 4,567	\$ 0	\$ 4,567
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries		\$ 0	\$	\$ 0
225	Administrative Fringe Benefits		0		0
226	Quality Assurance Fees		0		0
230	Other Administrative and General	1, 2	99,520	(32,604)	66,916
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 99,520	\$ (32,604)	\$ 66,916
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 414,938	\$ (34,525)	\$ 380,413
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$ 0	\$	\$ 0
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235 and 240)		\$ 414,938	\$ (34,525)	\$ 380,413

Provider Name		Fiscal Period		Provider Number		Adjustments		
MINUET		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC800051		2		
Adj. No.	DHS 3076 Page or Exhibit	Report References		Audit Report		As Reported	Increase (Decrease)	As Adjusted
		Cost Report	Line	Col.	Sch.			
RECLASSIFICATION OF REPORTED COSTS								
1	4	70	4	2	70	\$1,921	(\$1,921)	\$0
	4.1	230	4	2	230	99,520	1,921	101,441 *
Property Insurance								
Other General and Administrative								
To reclassify liability insurance to proper cost center for proper cos determination								
42 CFR 413.20 and 413.24 / CMS Pub. 15-1, Sections 2300 and 2304								

\*Balance carried forward from prior/to subsequent adjustments

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\*Balance carried forward from prior/to subsequent adjustments

Provider Name		Fiscal Period		Provider Number		Adjustments	
MINUJET		JANUARY 1, 2009 THROUGH DECEMBER 31, 2009		LTC80005I		2	
		Report References					
		Cost Report		Audit Report			
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col	
Explanation of Audit Adjustments							
ADJUSTMENT TO REPORTED COSTS							
2	4.1	230	4	2	230	2	
		Other General and Administrative		*			
		To adjust reported home office costs to agree with the Harbor Health Care, Inc. Home Office Audit Report for fiscal period ended December 31, 2009.					
		42 CFR 413.17 / CMS Pub. 15-1, Sections 2150.2 and 2304					